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Message Text

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15
ACTION EA-14

INFO OCT-01 EUR-25 ISO-00 AID-20 IGA-02 SP-03 EB-11 NSC-07

RSC-01 CIEP-03 TRSE-00 SS-20 STR-08 OMB-01 CEA-02

COME-00 L-03 H-03 JUSE-00 CIAE-00 INR-11 NSAE-00 SY-04

ARA-16 DODE-00 DRC-01 /156 W
---------- 015044
R 090425Z AUG 74
FM AMEMBASSY SAIGON
TO AMEMBASSY MEXICO CITY
INFO SECSTATE WASHDC 7623
AMEMBASSY PARIS

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DEPARTMENT PASS AID/AG/IIS

EO 11652: N/A
TAGS: ESTC VS
SUBJECT: POSSIBLE ILLEGAL SALE U.S. EQUIPMENT IN SOUTH VIETNAM

REF: MEXICO CITY 6328

SUMMARY: FRENCH FIRM AND SOUSTENIER UNKNOWN TO U.S. GOVERNMENT AGENCIES, FRENCH EMBASSY, GVN IMMIGRATION AND NATIONAL POLICE. NEW EQUIPMENT NEVER OFFERED FOR SALE. MOST EXCESS PROPERTY IN GOOD CONDITION DISTRIBUTED TO GVN FOR RE-CONSTRUCTION PURPOSES. OTHER PROPERTY EXCESS TO GVN NEEDS SOLD ONLY TO ELIGIBLE VIETNAMESE BIDDERS. SALES TIGHTLY CON-TROLLED, EXPORTATION PROHIBITED. DOD/PDA SALES REQUIRE EXACTING DOCUMENTATION, RE-SALE PROHIBITED UNLESS EXPRESSLY AUTHORIZED. CONSENSUS MEXICO SALE APPARENTLY FRAUDULENT SCHEME. FURTHER INVESTIGATION REQUIRES ADDITIONAL DATA. END SUMMARY.

1. USAID/IIS/SAIGON CONTACTED KNOWLEDGEABLE SAIGON SOURCES AND DETERMINED FRENCH FIRMS COMPANIA INTERNACIONAL DE IMPLEMENTOS
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MAQUINARIA AND/OR COMPAGNIE INTERNATIONALE D'EQUIPMENTS ET

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MACHINERE AND SOUSTENIER ARE UNKNOWN BY ALL U.S. GOVERNMENT AGENCIES WITH EXCESS PROPERTY DISPOSAL RESPONSIBILITIES. INQUIRY FRENCH EMBASSY, GVN IMMIGRATION AND NATIONAL POLICE ALSO NEGATIVE. ALL U.S. RECORDS CONTAINING IDENTIFYING DATA ON POTENTIAL BIDDERS, BUYERS AND SHIPMENTS FAILED TO DISCLOSE ABOVE NAMES. PROPERTY DESCRIBED IN REFTEL DOES NOT COINCIDE OR RELATE WITH ANY PROPRERTY PREVIOUSLY SOLD IN VIETNAM. ACCORDING TO AUTHORATIVE SOURCES NEW EQUIPMENT HAS NEVER REPEAT NEVER BEEN OFFERED FOR SALE OR SOLD. OFFICIALS ADVISED NO SALE IS SCHEDULED OR CONTEMPLATED WHICH INCLUDES PROPERTY DESCRIBED IN REFTEL. THERE IS A SHORTAGE OF HEAVY EQUIPMENT IN GOOD CONDITION IN S.E. ASIA ESPECIALLY D-8 AND D-4 TRACTORS. CONSEQUENTLY, DOD PROPERTY DISPOSAL AGENCY (PDA) SALES IN VIETNAM AND SINGAPORE GENERATE GOOD RETURNS AND IN SOME INSTANCES HAVE EXCEEDED ACQUISITION COST. MOST ALL EXCESS PROPERTY IN GOOD CONDITION HAS BEEN OR WILL BE DISTRIBUTED TO THE GOVERNMENT OF SOUTH VIETNAM FOR UTILIZATION BY MILITARY AND VARIOUS MINISTRIES TO UPGRADE/ ENHANCE RECONSTRUCTION. PROPERTY IN POOR TO FAIR CONDITION EXCESS TO NEEDS IS SOLD BY GVN UNDER U.S. SUPERVISION TO ONLY VIETNAMESE BIDDERS. ALL SALES ARE TIGHTLY CONTROLLED. TERMS OF SALES PROHIBIT EXPORTATION. ALL DOD/PDA SALES REQUIRE EXACTING DOCUMENTATION, RE-SALE IS PROHIBITIED WITHOUT EXPRESS AUTHORIZATION/APPROVAL BY PDA. CONSENSUS OF KNOWLEDGEABLE AUTHORITIES VIETNAM INDICATES MEXICO SALE HIGHLY IMPROBABLE AND APPARENTLY FRAUDULENT SCHEME BASED ON EXTRAORDINARY QUANTITY OF PROPERTY AND THE FACT PRICE IS FRACTION OF ACTUAL COST AS OPPOSED TO EQUIPMENT SHORTAGE IN S.E. ASIA AND SALE PRICES WHICH HAVE BEEN EXCEPTIONAL.

2. VIETNAM HAS AN ABUNDANCE OF CON MEN OR FLIM-FLAM ARTISTS WHO CLAIM TO BE AGENTS/BROKERS FOR BUYERS THROUGHOUT THE WORLD. THESE INDIVIDUALS ARE CONSTANTLY DEVISING FRAUDULENT SCHEMES. ONE OF SEVERAL MAY HAVE ON-GOING FRAUDULENT SCHEME WITH ABOVE FRENCH FIRM OR SOUSTENIER.

3. FURTHER INVESTIGATION WOULD REQUIRE ADDITIONAL DETAIL DATA INCLUDING SERIAL NUMBERS, SHIPPING AND SOURCE OF ORIGIN DOCUMENTATION OR A DETERMINATION MADE WHETHER SUCH DATA IS AVAILABLE OR NON-EXISTENT. ALL POSSIBLE DATA ON FRENCH FIRM AND SOUSTENIER ESSENTIAL.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EQUIPMENT, CONSTRUCTION EQUIPMENT, PROHIBITED TRADE, TRACTORS, ELECTRIC GENERATORS, INDUSTRIAL PLANTS, INVESTIGATIONS, BUSINESS REPUTATION
Control Number: n/a
Copy: SINGLE
Draft Date: 09 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: cunninfx
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974SAIGON10492
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740218-0098
From: SAIGON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740860/aaaabzgu.tel
Line Count: 108
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: MEXICO CITY 6328
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 24 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 APR 2002 by martinml>; APPROVED <27 FEB 2003 by cunninfx>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: POSSIBLE ILLEGAL SALE U.S. EQUIPMENT IN SOUTH VIETNAM
TAGS: ESTC, VS, MX, US, (SOUSTENIER)
To: MEXICO
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

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